

NET OPERATING LOSS (NOL) DEDUCTION

For the CALENDAR year **2002** or other taxable period beginning _____ and ending _____
Mo Day Year Mo Day Year

NAME	FEDERAL EMPLOYER IDENTIFICATION NUMBER OR SOCIAL SECURITY NUMBER OR DEPARTMENT IDENTIFICATION NUMBER
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WHEN TO USE THIS FORM Use this form to detail the Net Operating Loss carryforward amounts which comprise the current tax period net operating loss deduction taken on Form NH-1040, NH-1041, NH-1065 or NH-1120. This form must be attached to the NH tax return in the year the NOL deduction is claimed

Ending date of taxable period in which NOL occurred.	NOL amount available for five year carryforward, from NOL Worksheet, Line 10. See instructions for limitations.	Amount of NOL carryforward which has been used in taxable periods prior to this taxable period.	Amount of NOL to be used as a deduction in this taxable period.	Amount of NOL to carryforward to future taxable period. See instructions for limitations.
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11 Amount of NOL carryforward deducted this taxable period.
 (Sum of column D, Lines 1-10)..... 11

This is the amount to be reported on the applicable Business Profits Tax return. This amount cannot exceed the NH Adjusted Gross Business Profits before the Net Operating Loss Deduction.

NOTE: Column (B) less Column (C) should equal the sum of Column (D) plus Column (E).

INSTRUCTIONS

Column A	Enter the month, day, and year of each taxable period from which the NOL is being carried forward.
Column B	Enter the amount of the NOL which is available for carryforward purposes. Per RSA 77-A:4, XIII, the carryforward amount is computed by first carrying the loss back three years and then offsetting the loss by any profits during those 3 tax periods. (However, no NOL deduction is allowed in those carryback years.) For example entities with a tax year ending on or before 6/30/02 can take a five year carryforward and entities with a tax year ending on or after 7/1/02 can take a 10 year carryforward. To be eligible for the 10 year carryforward period, the net operating loss must have been incurred in a period ending on or after July 1, 1997. If a loss remains after carryback and offset, then the remaining loss must be apportioned using the apportionment percentage of the loss period. The apportioned loss cannot exceed \$250,000.
Column C	Enter the NOL amount that was claimed as a deduction in the prior taxable period(s).
Column D	Enter only those amounts that will be claimed as a deduction this taxable period.
Column E	Enter the excess amount(s) available for future deduction.

The RSA's and administrative rules regarding net operating loss provisions (RSA 77-A:4,XIII and Rev 303.03) may be obtained from our web site at www.state.nh.us/revenue or by visiting any New Hampshire Depository Library or the New Hampshire State Library, 20 Park Street, Concord, NH 03301, where copies of forms, laws, and rules can be made for a fee. Forms may be ordered for free 24 hours a day, 7 days a week by calling our forms line at (603) 271-2192.

New Hampshire Department of Revenue Administration's Administrative Rule Rev 303.03 of the Business Profits Tax Chapter includes NOL sample calculations. This rule, as well as all other Department of Revenue Administration's rules and statutes, are available from our website at: www.state.nh.us/revenue. If you do not have access to the internet, or if you have specific questions concerning net operating loss provisions for combined filers, please contact the NH Department of Revenue Administration, Audit Division, 45 Chenell Drive, Concord, NH 03302-0457, telephone (603)271-3400. For hearing or speech impaired individuals, call TDD Access Relay NH 1-800-735-2964.